

Covalon Declares First Ever Special Cash Dividend

MISSISSAUGA, Ontario – October 21, 2025 – (BUSINESS WIRE) – Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV; OTCQX: CVALF), an advanced medical technologies company, today announced that its Board of Directors has declared a special cash dividend (the "Special Dividend") in the aggregate amount of \$4,112,711.55 CAD, being \$0.15 CAD per common share of the Company to be paid on November 18, 2025 to shareholders of record at the close of business on November 4, 2025 (the "Record Date").

The Special Dividend has been designated as an eligible dividend for purposes of section 89 of the *Income Tax Act* (Canada) which may, in certain circumstances, provide preferential rates of taxation. Shareholders are encouraged to consult with their financial advisors.

Shareholders as of the Record Date do not need to take any action to receive the Special Dividend.

Brent Ashton, Director and Chief Executive Officer of Covalon, said, "Our company has been profitable for the last 6 quarters, resulting in a current cash balance of \$18.9 million CAD and no debt. Covalon's Board of Directors is of the view that the Company should reward shareholders by paying a special cash dividend as Covalon's financial success has allowed it to aggregate a very strong cash position which is not necessary for the continued successful operation of the Company. The Covalon team is working hard to continue the success we are currently experiencing. The Board of Directors may or may not determine to pay additional special cash dividends to its shareholders in the future."

Those interested in learning about Covalon's solutions may visit www.covalon.com or follow Covalon on [LinkedIn](#), [Facebook](#), [Instagram](#), or [X](#).

To learn more about Covalon, please contact:

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About Covalon

Covalon is a leading MedTech company dedicated to improving patient outcomes through innovative and compassionate medical products and technologies. Our expertise spans advanced wound care, vascular access, and surgical consumables, with a strong focus on enhancing healing, reducing healthcare-associated infections (HAIs), and protecting skin integrity. Our solutions are designed for patients and made for care providers. The Company is listed on the TSX Venture Exchange (COV) and trades on the OTCQX Market (CVALF). To learn more about Covalon, visit our website at www.covalon.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



This news release may contain forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "estimate", "expect", "intend", or variations of such words and phrases or state that certain actions, events, or results "may", "could", "would", "might", "will" or "will be taken", "occur", or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts, but instead represent management's expectations, estimates, and projections regarding future events. Forward-looking statements involve risks and uncertainties, including, but not limited to, payment of dividends in the future and the factors described in greater detail in the "Risks and Uncertainties" section of our management's discussion and analysis of financial condition and results of operations for the year ended September 30, 2024, which is available on the Company's profile at www.sedarplus.ca, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Investors should not place undue reliance on any forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this news release, and the Company assumes no obligation to update or alter any forward-looking statements, whether as a result of new information, further events, or otherwise, except as required by law.

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